NATIONAL DISABILITY SERVICES

MARKETING GOVERNANCE

MODULE 3

STRATEGY

PRESENTED BY ALEX MAKIN

PRINCIPAL FOUNDER OF SYNEKA MARKETING

Hello, and thank you for viewing our webinar content on marketing governance. This is the first module of the series exploring strategic alignment between marketing outcomes and organisational direction. These modules have been prepared through National Disability Services to support disability providers in the transition into an NDIS environment.

My name is Alex Makin, and I'm the principal founder of Syneka Marketing. We created the marketing governance framework to ensure that organisations are able to make informed decisions around marketing, ensuring that there's strategic alignment between the way they wish to take their organisation and how marketing helps achieve those outcomes, that there's a full consideration of risk when undertaking marketing activities, that the right roles and responsibilities are in place to implement marketing activities, that budget and financial rigours are available to make informed decisions around the resources required for marketing, and that there's metrics and accountability so that you can measure the performance of your marketing activities.

This is the first part of our series on marketing governance, and these modules assume that you have a base level of understanding around key marketing concepts and how it applies within your organisation. If you do need to refresh your marketing knowledge, there are two introductory modules, Part 1 and Part 2, of marketing principles. These two modules explore core marketing concepts and serve as a background context to the material that we're going to be covering.

Also take note that there is a workbook available that you should be completing as we work through this webinar content. The workbook is designed to enable you to apply these learnings into your own organisations, so please utilise the workbook as we work through this content.

There are three key learning objectives that we wish to explore today. The first is that we need to recognise the role of strategy in marketing. One of the core issues in regard to the way that marketing is often applied is that there's a tendency to execute something and then try to justify the results later. This execution-based approach will often lead to outcomes that don't necessarily achieve the impact that you assumed it would, and also means that you're not necessarily being the most efficient or effective in the use of marketing resources. We're going to be exploring the role of strategy and how the use of strategy helps optimise your marketing activities. We'll be utilising a defined methodology, exploring the role of a marketing audit in reviewing existing marketing performance, the role of marketing forecasts in identifying new marketing opportunities, and the role of a marketing plan in being able to schedule and execute marketing activities in both the short term and over the longer term, and being able to measure those results as you compare progress to what you identified within the plan. And lastly we're going to be once again exploring that role of strategy and how it needs to influence marketing tactics. So how does your strategic direction then impact on the tactics that you'll be undertaking, both in terms of when those tactics are undertaken, who those tactics should be targeted at in terms of your target markets and stakeholders, and once again how you measure those results. They're the three key learning outcomes that we're going to be covering today. You'll be able to work through those learning outcomes as you follow through in the workbooks to support these materials.

The first area we're going to be exploring is the role of a marketing audit. This is where you review the performance of your existing marketing activities. The way to begin this is by thinking about:

* How will your organisation look in 12 months time?
* What changes will take place?
* How will this impact where your organisation will be in three years?

So take a moment in your workbooks to consider where you want to be over the next 12 months. What will change in your organisation over that timeframe? And then cast your minds further afield into looking at how that will take place and what will be in place over the next three years.

Once you've answered those questions, think about the impact of those changes.

* What will happen if you don't achieve that direction or where you want to be in 12 months time?
* What will happen if you do achieve it?

Identify what some of those critical success factors are.

* What will be the impact on your organisation, its products, its services, your stakeholders, if you don't achieve those goals?
* Similarly, what will be the impact if you do achieve those goals?

This allows you to place a context around the direction of your organisation, and some of the key areas that you need to explore from the context of marketing.

Similarly, in the review of your existing marketing activities:

* Do you have a current marketing plan?
* Does that marketing plan adequately encompass the entire marketing mix, or that stakeholder experience as we explored in the introductory series to this webinar?
* Does your current marketing plan have measurable outcomes that enable you to measure your marketing performance?
* How does that marketing plan help achieve your current organisational or business goals?

The marketing audit is very much designed to explore your current context, so it is around taking your current context, your current marketing activities, and being able to explore their effectiveness and analyse any gaps that may exist.

The first thing we need to be mindful of is that marketing is a strategic function, and that marketing needs to align within the context of your current business or organisational plan. In the introductory webinars we explored the strategic nature of marketing, and the need for alignment between what it is your organisation wishes to achieve and where marketing helps identify how you achieve that direction. But just as you should have a marketing plan in your organisation, you'll often also have ICT plans, HR plans, other operational plans that help support that direction. Each of those plans need to be consistent. You need to ensure that there's consistency between your marketing plan and business or organisational plan, but also between your marketing plan and ICT or IT plan.

For example, if your marketing plan identifies that you need better access to data to enable you to better segment and identify key customer needs, then you need the IT platforms to enable you to collate and analyse that data. Marketing is often only as good as the analysis of the information that's being provided, so if you don't have the IT systems or the systems in place to collate the data, it can actually be quite difficult to then make informed marketing decisions. So if your marketing plan identifies that there's gaps in terms of data collation, your ICT, your IT plan, should identify what platforms, what systems you need in place to help with that data collation. Your HR plan, in turn, should identify the training and workplace support required to ensure that those systems are used and that that data is actually entered correctly.

Ultimately it is good governance that ensures oversight across each of these functions. Both ICT and HR have fairly defined governance structures, ensuring that Boards, the Executive, through to Management and Operations understand that strategic nature of both of those functional areas. Marketing needs a comparable oversight in relation to good governance, and this is why we've developed the marketing governance framework. The marketing governance framework ensures that your marketing direction is consistent across your organisation, both within that area of marketing but also across other areas of your organisation.

For marketing to be effective, strategy must follow tactics, so you need to start with your current business goals. Once again:

* What do you want to achieve over the next 12 months?
* How will this impact longer term, and where will your organisation be within the next three to five years?

Because it's the role of marketing to explore how you achieve these goals, and we do this through the marketing mix or the stakeholder experience, utilising each of those seven elements to create a consistent experience, and an experience that resonates with your target markets and your stakeholders. A strategic basis for marketing ensures that you're able to fully embed consistency across the marketing mix. It enables you to understand who your markets, your market segments, and target markets actually are, and so that you're able to take the time and provide the resources to adequately undertake research to make informed decisions in regard to those target markets.

And lastly, strategy allows you to identify what requirements, timeframes and results that you're expecting. So your marketing plan needs to be a strategic document. It shouldn't just identify a list of tactics. It should actually look at how you embed consistency across that marketing experience within your organisation.

Once you've created your marketing plan, that is when you can consider tactics. The role of the marketing audit is once again to review those existing tactics to ensure that there's consistency back to your marketing plan and that marketing is achieving the outcomes that you assumed it would achieve.

Unfortunately, the way that marketing is often applied within organisations is a tactics or execution-first approach. Executing tactics without a strategy, however, makes it difficult to actually embed consistency across your marketing mix or that experience.

It also makes it more difficult to capture outcomes across each touchpoint. What are the activities that actually matter in terms of participant engagement, in terms of repeat purchasing, in terms of engaging those influencers and decision-makers that may be guiding the direction of your targeted participants. It also makes it difficult to determine which activities are relevant to which market segments. So which segments will best respond to marketing activities, and which channels are they looking at and gaining awareness around your products or services through?

And of course, a tactics-based approach makes it difficult to actually manage risk and resources. When there isn't a plan, it can be very easy to have cost overruns or where elements may actually create unacceptable marketing risk, and unfortunately the not-for-profit sector and charities are not immune from marketing risk. There are quite a number of high-profile examples of where an organisation's embarked on a campaign only for that campaign to backfire and cause reputational and revenue risk due to the fact that there wasn't a proper risk assessment undertaken. It's important that marketing risk is identified, mitigated and controlled as you explore the role of marketing within your organisations.

These risks, these issues, are created because there is often a lack of strategic insight, and it's the role of strategy to provide that strategic insight so you're making better informed marketing decisions, and decisions that ultimately have a positive impact on your organisation's direction. This is why success starts with strategy, and you need to actually embed a methodology of continuous marketing performance. This commences with the marketing audit. This is where you review your existing marketing activities, identify any gaps that may exist, and then explore how you can better align your organisation with good marketing practice.

The marketing audit looks at your internal capabilities and capacities, and explores whether marketing, or how marketing, is actually helping to achieve your strategic direction. The marketing forecast looks at your external market context. This is where you explore potential future opportunities.

* What new possibilities for products or services exist?
* Who are the markets that may respond to those new products or services?
* Are there other markets that may benefit from your products or services?
* How do you engage those target markets so that they're likely to then become participants and repeat participants through those products or services?

Both the audit and forecast should align with your strategic marketing plan, and it's the role of the marketing plan to identify how you schedule, implement and execute marketing activities that are consistent with your strategic direction. Your marketing plan should embed metrics across each marketing activity that you undertake.

* What are the inputs that contribute to an output that achieves an outcome from a strategic perspective?

And then lastly you then look at how you execute marketing activities, and this is the layer of marketing execution that should be implemented and delivered in accordance to the resources and timeframes that you've established within your marketing plan, so execution is very much the last element of this performance methodology. You need to firstly review your existing activities through the marketing audit, strengthen that connectivity between good governance and marketing, identify what opportunities may exist through the forecast and the resources that may be required to achieve those, embed both of those into the strategic marketing plan that looks at how you achieve your organisational direction over the next 12 months into three to five years, and then you execute those activities in accordance with the marketing plan.

The first element of our marketing methodology is the marketing audit. The marketing audit is fundamentally designed to provide a marketing health check. You firstly need to be able to assess your current marketing activities. How can you improve their effectiveness and efficiency? The marketing audit is very much designed to optimise your existing marketing resources. It doesn't matter how much you're currently allocating to marketing, the audit is designed to optimise that configuration, both in terms of financial resources but also time and the personnel that are allocated to each of those resources.

The marketing audit fundamentally benchmarks your organisation against marketing governance practices, and as a result it needs to explore whether marketing is aligned strategically for your organisation:

* What level of risk assessment you've undertaken
* what roles and responsibilities and personnel are in place to undertake those activities
* what financial reporting is in place to allocate the required resources to achieve those outcomes, and lastly,
* how you measure and evaluate marketing performance.

So the marketing audit is very much designed to benchmark your organisation around marketing governance. As a result, the marketing audit tends to be undertaken on an annual basis, ensuring that your marketing activities as you work through the duration of your marketing plan are still embedded in good governance fundamentals, that those activities align strategically with the direction of your organisation.

The marketing audit embeds three key components. The first of that is the gather phase. This is where you need to review your existing marketing activities, and often it's useful to interview stakeholders throughout this process. This can be both internal as well as external stakeholders.

* Who's responsible, or who is seen as being primarily responsible for marketing within the organisation?
* What other roles interface with that marketing element?

It can often be quite useful to interview staff and personnel involved in service delivery as part of this process, because often they'll be able to identify from a service delivery perspective where there could be potential outcomes that could be strengthened through marketing. Also well worth interviewing or surveying your current participants or future participants to gain their understanding around their thoughts around the products and services that you offer. And once again, you want to be consistent in the methodology that you use through that survey or interviewing process, because when you have a consistent baseline data, you can actually benchmark that data over time. So this enables you, as you go through, say, the second marketing audit, to review those findings against the marketing audit that you completed in year 1.

Once you've gathered that existing information, so that review of existing marketing materials:

* Is there consistency across each of those materials
* Do they have a similar narrative
* Do they look, do they provide a similar visual identity in terms of looks and appearance
* Are they also consistent in terms of where they'd be utilised in the decision-making processes of your target markets?

as well as also that survey and interview data, you can then review those outcomes, and that's where you want to actually undertake an assessment of your existing organisational context.

* Are there any gaps in those marketing materials?
* Are there elements that aren't necessarily being as effective as they should be to the target markets that you wish to target?
* Are there gaps in the marketing mix or your stakeholder experience?
* Are there areas that have been identified that need to be strengthened to provide a consistent experience?

That review phase builds on the information that you gather, and as a result you want to ensure that you are adequately reviewing those existing materials, and that you have data that is effective and relevant through those stakeholder interviews and surveys. That review phase needs to be able to provide an assessment of marketing's current performance.

The marketing audit is not designed to necessarily require an increase in marketing resources. The marketing audit should identify your current resources and look at how you optimise them, and that very much is the purpose of that recommendation phase. It's recommendations that enable you to transform your organisation so it becomes market-facing, and that it strengthens its ability to face and respond to market conditions. As we explored, there is going to be an increase in uncertainty and competitive pressures through the NDIS, so the marketing audit is the first step in enabling you to identify what it is that you're doing currently and how you optimise those marketing outcomes, with the aim of strengthening the performance of your marketing activities.

So as we delve into the gather phase, the first thing that we need to remember is that we need to explore the entire marketing mix. You need to identify and evaluate your existing plans.

* Are there gaps in your existing marketing plans?
* Is there a marketing plan in place that is up-to-date and relevant and consistent with your organisational plan?

You want to be able to undertake those stakeholder interviews. Part of the gather phase also explores what metrics, how you are currently evaluating marketing performance.

* Are there gaps in terms of what you're measuring and the outcomes that are being achieved through marketing?

Marketing metrics enable you to measure the effectiveness and efficiency of your marketing activities. So during that gather phase, make a note of any gaps that may exist in terms of measuring marketing performance. You want to move beyond just measuring, say, website hits or social media likes and interactions into identifying what impact that has on participation, on engagement of your products and services, and repeat purchases as well. You want to be able to explore what marketing channels you use to raise awareness and help your target stakeholders identify the needs that you fulfil.

In the review phase you explore those gaps.

* Were there targets that weren't being achieved?
* Are there metrics that need to be further developed?
* Are there appropriate outputs and outcomes that support the inputs that you've collated?

As an example, if you're currently measuring how many social media likes or interactions you may have:

* What are the outputs based on that?
* What is the level of interaction around those posts?
* How often are people interacting once they like and continue to follow your social media presence?
* What are the sorts of questions or levels of interaction that they're providing?
* How does that level of interaction then impact in terms of outcomes based on acquiring new participants and getting your existing participants to reutilise your products or services?
* How do those metrics help increase the frequency of interaction with your services?

By identifying and analysing those gaps, you can then explore areas that have underperformed, and similarly areas that have overperformed.

* Why is it that there may have been areas that underperformed and areas where you may have exceeded expectations?

You want to be able to analyse those variations and why they exist. It's also well worth exploring previous customers or previous participants.

* Why have those participants shifted to other providers?

Similarly it's well worth exploring participants that are within or undertaking services through your competitors.

* Why is it that they are preferring those competitor services to those that you offer?
* What is the viewpoint of your internal stakeholders?
* Have your internal stakeholders identified any gaps that may exist around that marketing experience, and that experience that you need to provide to your target markets and stakeholders?

In reviewing and analysing that information, you also want to be able to measure it against relevant marketing metrics, and once again, are there gaps in the way that you're collating and assessing marketing performance?

The findings from the gather and review phase will culminate in a series of recommendations, and that is the final phase of the marketing audit. These recommendations are designed to maximise your existing resources, so the marketing audit should look at:

* How can you achieve the outcomes that you're seeking to achieve more efficiently?
* How do you improve the overall effectiveness of your marketing activities?

So that may mean looking at how you better utilise financial or personnel resources that are allocated in marketing activities, or how you can deliver results in a more timely and more efficient manner.

Out of those recommendations there will be a series of priorities, and ultimately what you want to be able to do is align your marketing activities with good marketing governance.

* What activities will have a greater level of impact within the short term?
* How do you embed measurable results so that you can measure marketing performance through the marketing audit?
* What inputs help contribute to the outputs and outcomes that have an impact in terms of your organisational direction?

The marketing audit should be fully implemented within a 12-month timeframe, and that's because part of the role of the marketing audit is to establish benchmarks so you can measure marketing performance not only within the context of the current marketing audit, but also by comparing the findings and data out of previous audits as well. You want to ensure that the marketing audit is very much designed to strengthen your positioning and strengthen your return from marketing within a 12-month timeframe.

So the role of the marketing audit is to assess your organisation against good marketing governance, to provide that benchmark so you can assess your level of strategic and marketing planning and the alignment between the two.

* Does your strategic marketing plan correlate with the direction that you're taking the organisation?
* Have you considered risk from a marketing context?
* Have you identified the resources that you require to deliver on the strategic direction that you've articulated in your marketing plan, and the corresponding activities and execution tactics that are required?
* Is there the appropriate roles and responsibilities that can deliver on the marketing activities as well, and deliver on the indicators that you've established through the strategic marketing plan?
* Is there metrics and accountability?
* Are you able to measure your performance of marketing, and measure the outcomes that you're creating and how markeing has helped achieve the impact and the direction of your organisation?

Your workbooks as you work through them are effectively going to provide you with the ability to develop a marketing audit, so that you can assess your performance around good marketing governance and then identify which areas you need to strengthen and which areas are strengths for your organisation, and to ensure that you're able to build that ability to deliver good marketing governance.

One of the goals from the marketing audit is to better orientate your organisation towards good marketing governance, and as a result it's often useful to compare your recommendations against the five pillars of marketing governance. The first of those is strategy. You want to explore whether there is a current business plan.

* Do you have a current marketing plan?
* Are both of those plans aligned?
* How does your marketing plan help achieve your business goals?

The strategy pillar of the marketing governance framework effectively looks at that strategic alignment, and once again remembering that the outcomes from your marketing plan should identify how you achieve the goals that you've established within your business or organisational plan. Similarly the strategy phase should also explore what brands you currently use and how are each of those brands optimised towards combinations of the marketing mix? So if you are running multiple brands, and the reason you want to cover multiple brands is whether there's a different application of the marketing mix.

* Are you trying to create a different experience around each of those brands?

If not, part of what you may want to explore through the strategy review is whether you actually look at consolidating those brands. If a brand, or if a product or service doesn't need a customised version of the marketing mix, then question whether in fact it actually needs a separate brand, or whether you could consolidate those brands and then build equity within a smaller number of brands within your organisation.

When we explore risk we need to identify whether there's a current risk register, and is that register regularly reviewed? Unfortunately marketing and risk tends to be an area that is considerably underdeveloped, and an area where often there isn't adequate attention. By embedding that review of risk through the marketing audit you can firstly explore whether there is a current marketing risk register. Many organisations will have a risk register, but:

* Is there a register that specifically explores marketing-related risk, both risk in terms of reputation, but also whether there may be potential financial risk, or whether there could be risk in regard to stakeholders
* Is there the need to ensure that stakeholders are embedded as part of that journey that you need to undertake as you become NDIS-ready?
* How often do you review the marketing risk register?
* Does it actually explore all aspects of marketing?

Marketing risk extends beyond just social media, but into all elements of the marketing mix, so:

* Is there a potential risk if demand increases that service level will be reduced?
* As a result, how do you actually help mitigate and control that if demand fluctuates, and if you are unable to accommodate influxes of that demand?
* Is there risk in terms of stakeholders being alienated by some of the decisions that you need to make?
* If so, how do you engage those stakeholders so that you can demonstrate to them why changes need to take place and the outcomes and how those changes will ultimately provide a stronger organisation?

Risk is an area that needs particular attention as you go through transformative elements like the NDIS. Risk is an area that you do want to pay considerable attention to. By understanding your marketing risk register, you can also once again be in a position of optimising your marketing activities.

When you explore finances and the marketing audit, you need to examine:

* How is your current marketing budget allocated?
* Is it allocated per task, or is it based on the stakeholder journeys and the decision-making processes undertaken by your stakeholders?
* Are you simply allocating budgets to various marketing activities, or is it allocated on a basis of understanding those stakeholder journeys and the decision-making processes that are undertaken by those stakeholders?

You want to be able to be in a position where you can fully assess the marketing channels, the activities and resources required, to transition your stakeholders through that decision-making process.

* What is it that you need to allocate, and where is it that you need to allocate resources into the prepurchase phase?
* How can you ensure that your stakeholders are aware of your organisation and the products and services it provides?
* How can you support them as they search for information and evaluate the service providers that exist?

As they move into the purchase phase, how do you demonstrate that you're fulfilling the need that they sought from your products and services, and you're able to demonstrate once again that mutual exchange of value, that core concept of marketing being able to provide a mutual exchange of value between your organisation and your participants, and the influencers and decision-makers that are helping to shape their experiences. And in the postpurchase phase:

* How do you reinforce the level of service and the outcomes that were created?
* How do you utilise that to help strengthen repeat purchasing with your organisation, whether that may be through utilising your same products or services, or whether there's complementary products or services that may fulfil further needs and demonstrate further value to your participants.

By allocating marketing resources across the decision-making process, and by understanding those stakeholders, you're then able to start to measure your effectiveness around marketing return, so you can actually start to identify what return you're expecting based on your allocation of marketing expenditure, but also in terms of the allocation of time and personnel that are allocated to marketing as well.

When we explore personnel, we need to firstly look at:

* Does your organisation have a defined marketing function
* What other areas are involved within marketing, remembering that we want to explore marketing across the entire marketing mix.
* What are the other personnel, who are the other personnel, and what are their roles, and how are they involved in providing that consistent and cohesive stakeholder or participant experience?
* How are those teams working together?
* How do you ensure that that vertical marketing function coalesces and strengthens people involved within marketing across your organisation?
* Is there a clear separation between the Executive, Management and execution?

One of the challenges that often exists in marketing is that the strategic layer and execution layer become blurred, and as a result it becomes very difficult to identify which marketing activities are actually having a positive contribution and impact on your organisation. So you want to ensure that there's adequate separation between the Executive, so the areas that are of relevance to your Board and your Executive team in terms of headline marketing metrics that have a demonstratable impact on organisational direction, between managerial oversight and identifying how those strategies and that direction can be achieved, and the execution of day-to-day marketing activities and how those marketing activities help contribute to the outcomes that you've identified within your strategic marketing plan. There's a need for separation between each of those layers to ensure that you can adequately measure marketing performance.

And lastly, the final pillar of the marketing governance framework, accountability and metrics. This is where you should be able to utilise the marketing audit to identify the metrics that are required to measure marketing across each of its chain of activities. What this means is that you need to be able to distinguish between inputs, which are your initial metrics, the results out of those inputs, being outputs, and the outcomes, the combined effect of those outputs that has an impact on organisational or business goals. As an example, your inputs might be the number of social media followers that you have or the number of website visitations. An output could be the navigation through your website to an enquiry form, or going from a website into lodging an enquiry through telephone, or the amount of interaction on social media, whether that be likes, shares, or further interaction. Your outcomes are the metrics that actually have an impact on your organisational direction. So an outcome through that website navigation and enquiry might be the acquisition of a new client. The outcome through social media interaction could be an increase in repurchasing, or an increase in the frequency that purchase decisions are made. You need to be able to distinguish inputs, outputs and outcomes so you can identify, out of those chain of activities, which ones have an impact on your organisational direction.

Furthermore, often you'll be required to have a number of touchpoints or a number of interactions with your stakeholders before they actually progress through the decision-making process and through that stakeholder journey, so as a result you need to be able to identify which metrics, which activities, have an impact on the progression of that journey. Once you've identified those metrics, you can then explore what gaps currently exist.

* Are there metrics that you need to collate that haven't been collected?
* Do you need systems or processes in place to help with that data collation?
* How will resolving those gaps assist in making better-informed marketing decisions?

Understanding that level of metrics enables you then to embed a level of accountability across your organisation, so you can identify who is responsible for which metrics and be able to measure their performance across each of those activities, and the chains of activities that build into and impact on your organisation.

So now you can explore the conducting of your own marketing audit, and as you work through the workbook, consider:

* What changes can be made within the short term?
* What metrics are required to help you measure outcomes?

So start by exploring each of your marketing activities.

* What are the core indicators that you use to help measure marketing performance?
* Consider whether you do undertake regular feedback with participants, and are you consistent in the way that the feedback is collated?
* Are there consistent questions?
* Is the information interpreted in a consistent manner?
* How do you then respond to those findings?

From there you can further analyse the data that's required.

* Are there gaps in regard to the information that you have available?
* How consistent are your marketing materials?
* Are those marketing materials mapped against the decision-making processes undertaken by your stakeholders?
* Are there areas or activities where you can identify that they're useful during that awareness phase?
* How does someone become initially aware of your products and services and the value that your organisation provides?

Once they work through that awareness element:

* What information do you need to make available, or how do you assist them in that search for information that helps them make an informed decision in whether your products or services delivers the value and fulfils the needs that they have?
* How do you help in working with those stakeholders in identifying what needs are required?

As they move into the purchase phase:

* What marketing channels, what tools do you use to assist in making a streamlined purchase decision?
* How do you then reinforce the value that's being provided?

And then in the postpurchase phase:

* What is it that you do to encourage further engagement with those stakeholders?
* What outcomes would you like them to undertake in that postpurchase phase?
* How do you encourage them to discuss their experiences, to perhaps share information with other prospective stakeholders and others that may be part of your target markets?
* What level of contact do you have and what level of interaction, and what impact does that have on the frequency of repurchasing and the number of times that repurchases occur?

These are the questions that you'll be able to work through in the workbook, and make sure that you're able to demonstrate an understanding of the current context of marketing within your organisation.

The marketing audit is designed to explore your internal capabilities and capacity from a marketing perspective. The marketing forecast, by contrast, looks at external opportunities, so it's the role of the forecast to assess and identify market opportunities, as well as also reinforce your market positioning and identify what presence you need in the marketplace. Marketing forecasts can explore anything from new product development and new services that you wish to introduce into the market, to extending your current product or service mix to cater to other market needs, or to undertake specific campaigns with the aim of achieving new client acquisition or client retention. As part of the forecast you want to be able to define those campaign targets.

* What is it that will determine whether your campaign has been a success?

As a result, the forecast often involves a level of research, because it's that research that helps make informed decisions as you explore campaign targets and campaign goals, as well as also how to position your products or services within a competitive landscape. Bear in mind that once again under the NDIS competitive pressures will increase. There's going to be a higher degree of potential substitutes, higher degree of market entrants, and as a result there's a need to identify your position within the market and be able to clearly articulate the value that you're able to provide. The marketing forecast explores that external context.

* Who are the competitors?
* Why are they competitors?
* What are their respective strengths?
* How is the industry and the sector developing, and what changes are expected?
* Who are the target markets and what is it that they respond to?
* What is it that you need to provide to ensure that they interact and engage you as a service provider?

The marketing forecast embeds three key phases, the first of that being research, and this is where you'll be undertaking market research to understand the broader context.

* What are market conditions, both at a macro but also at a micro level?
* What changes are expected to occur within the market?
* What impact will economic conditions have?
* What impact will changes like the NDIS have on that market, and how participants make decisions in the service providers that they utilise?

That market research component may involve focus groups, stakeholder interviews, or surveys to help - or even competitive research and market research to enable you to identify those key drivers within the market context. You'll be undertaking competitor and macro environmental analysis.

* What context will technological changes have?
* The current political climate or regulatory changes?
* What regulations do you need to be mindful of as you enter into those markets or solidify your presence within the market?
* Who are the competitors?
* What products and services do they offer?
* What pricing points do they provide?
* What experience do they reinforce through their respective marketing mixes and marketing plans?

Because no doubt as you're embarking on these exercises, your competitors are probably doing the same and you need to be mindful of how your competitors may shift, and what changes they may undertake, as they strengthen their marketing capabilities and capacities.

The second phase is insight, and that's really the strategic insights that are the result of the research that you've conducted. Specific questions you want to be able to answer is:

* What intermediaries do you need to identify?
* How do you work with those intermediaries to demonstrate the value of your organisation?

Very rarely will you have the budget or the resources available to engage your target market directly, and to engage them directly with sufficient resources to motivate and stimulate those purchase decisions, so you may need to find channels to market and intermediaries that can help influence those target markets as well.

* Who are they?
* Where are they?
* What do they respond to?
* How do you demonstrate mutual value?

In the introductory webinars we explored the customer and stakeholder journey. As part of the marketing forecast you want to be able to map that out so that you can identify your campaign targets and each level of interaction that's required to motivate, mobilise and engage those stakeholders.

The last phase is direction. This is where you put together the marketing forecast into a 12-month plan that enables you to understand your target market, their characteristics and motivations, and the campaign activities that are required to ensure that your launch or introduction of new products or services or engaging of new target markets is a success. It's through the direction phase that you start to identify what metrics are required to make this successful.

* When do you expect to generate a positive return, and what does that look like over time?

The research phase, as mentioned, needs to provide the information required to make an informed decision in regard to your marketing activities. There's often a lot of discussion as to whether marketing is an art or science, and the reality is that the art of marketing is only as strong as the science of marketing. It's the science of marketing which is the research, the analysis, that helps you make informed decisions in regard to campaign execution, branding and creative elements. It's important that during the research phase that you ask the right questions, so you need to undertake an industry level analysis that identifies the broader macro environmental conditions. From there you can start to identify key market segments.

* Who are the target markets?
* What makes them more likely than other markets to purchase your products and services?

Then undertake the primary and secondary research to identify what motivates those target markets.

* What are the key drivers or what are the key requirements to make them interact with your organisation above others?

It's very important when you're undertaking research, particularly in regard to surveys and focus groups, that you do have representative samples, so it's important that you identify who those market segments are. And as we explored previously, often this won't necessarily just be a case of engaging the user of your services, but also the decision-makers or influencers that may be helping them make that decision.

* How do you engage families and carers?
* How do you engage education, employment providers, health providers, that may have an impact on the decisions and the services that are undertaken by a potential participant?

The insight phase is where you analyse your research findings, so you firstly need to be aware of any assumptions that may exist.

* What assumptions did you make in collating that data?
* How does this impact your data?
* What limitations are the result?

Part of that could potentially be low sample sizes in survey data or the stakeholder interviews that you conducted. If those samples aren't representative, what limitations does it then place on the validity of that data?

You also need to start to understand how your competitors may respond.

* What changes may your competitors undertake if you embark on the direction that's being identified through the marketing forecast?
* What are the results of that research?
* Are there potential opportunities that have been clearly identified based on the research and analysis?
* Are there gaps in the marketplace that you could easily fulfil by complementing your existing products or services?

You also need to identify the overall impact.

* What are the demographics and characteristics of your target markets?
* How will this impact on the selection of those markets and the products and services that you're going to be offering?
* How will this then impact in turn the messages and the channels to market that you wish to undertake and embark upon in reaching and engaging those target markets?
* Where do these target markets seek their information?
* What information do they find as being authoritative above others?
* What touchpoints do they require as they undertake their journeys in making purchase decisions?

As you work through the insight phase you want to be able to consider the required touchpoints and the marketing mix.

* Is there a customisation of your existing marketing mix?
* Will you need to modify your existing marketing mix, your existing stakeholder experience, to resonate with those required touchpoints?
* If so, do you need additional brands that demonstrate that this is a different approach that you're undertaking?

These are questions that you want to be able to answer during that insight phase.

And lastly, the direction, and this is where you need to identify campaign metrics.

* How will you be able to measure success?
* What steps are required to enable you to achieve those successful outcomes?

Once again, you want to be able to map that against the stakeholder journeys, so you need to be able to identify who those relevant stakeholders are, and once again, not just the user or participants of your products or services, but those that may be influencing those purchase decisions: families, friends, carers, educational, employment, medical facilities, NDIS coordinators.

* What are the respective outcomes that each of those stakeholders are seeking?
* What touchpoints are required for each of those stakeholders?
* How do you demonstrate value, not just to those participants, but also the other stakeholders that need to be considered?

The direction phase will often identify a number of stakeholder journeys based on the stakeholders that you've been able to identify. From that direction you can start to identify the key messages that are required.

* What are the messages?
* What is the configuration of the marketing mix, the experience, that will resonate with each of those stakeholders?

You need to be able to integrate those key messages across each touchpoint.

* What mediums, what tools, will you be utilising to communicate those key messages, to demonstrate the experience that you're creating through the marketing mix?
* How do you integrate that across each touchpoint?
* How do you ensure that there's enough reinforcement that if a stakeholder doesn't see one message, they're able to comprehend your key positioning based on other messages?

And you need to be able to embed metrics and evaluation as part of the direction phase. So through the direction phase, you're basically identifying a campaign plan, and that campaign plan needs to be able to have the resources that are required and the metrics and evaluation that helps you deliver against the criteria that you've established as a successful outcome.

So now that we've had an overview of the marketing forecast, you can turn to your workbooks and start to map out what market opportunities may exist for your products or services. To begin with, you need to identify:

* What research do you require?
* What research do you need to understand the contexts of the industry, the potential participants or number of participants that may have a need for the products and services that you're looking at offering, and who are the stakeholders that may be influencing or being part of that decision-making process?

You also need to be able to identify where you can find this information:

* Will you use census data, government data, data from your existing client cohort and participant cohort, data that's available through other partners that you work with that may be able to assist in identifying what those needs are?
* Where is it that you're going to be able to find that information, and how will it help you make an informed decision?

As you're considering how you can find that information, it's also worth exploring as to whether you can gain insights from your existing customers, or from your existing participants.

* Do you undertake regular surveys and regular feedback sessions with those participants?
* What questions do you ask?
* What do you do with that information once you collate it?
* Could you actually identify participants who may be interested in the new products or services that you're looking at offering?
* Can you ask them, and understand what their needs are, to help complement the data that you're going to be collating through the forecast?

The marketing forecast begins with the right information, so it's around taking the time and identifying where you can find those data sources to then assist in building the campaign plan and the direction that you wish to undertake.

One of the areas that we've mentioned is well worth exploring in identifying and finding suitable data are your existing participants and your existing stakeholders. So begin by understanding:

* Who they are
* What is it that attracts them to your organisation?
* How long have they been engaged with your organisation?
* How regularly do they purchase and repurchase products or services from your organisation?

Consider how you seek feedback from those participants, and from your other stakeholders. Surveys, focus groups, one-on-one interviews, online, via the phone, face-to-face are all suitable mechanisms, but it's around ensuring that you reach the right people and that they take the time to provide you with answers that are relevant to the questions that you're seeking. So while online surveys can be quite useful in reaching a wide cross-section of your stakeholders, they can often have a lower level of participation, and are typically only used when there's short answers that can be provided. Interviews, focus groups, one-on-one discussions can be far more useful in analysing and receiving detailed information. So make sure that your participants and the sample that you use is relevant and valid.

* How will that sample assist you in identifying and validating those potential opportunities?

And as you explore your existing participants, consider what touchpoints they used during the prepurchase, purchase and postpurchase phases in interacting and engaging your organisation.

* Are the channels to market and tools that you used for those participants and those stakeholders relevant to the new market opportunities that you're exploring?

Similarly, you need to look at your competitive pressures.

* What is the overall level of competition for both your existing products and services, but also the opportunities that you're exploring?
* How do competitors differentiate from each other?
* How valid are those points of difference?
* Do the participants of your competitors recognise and support those points of differences that have been established?

Often it is worthwhile trying to engage participants and stakeholders and interact with competing organisations so that you can identify what opportunities and what strengths that they utilise to leverage those opportunities.

* Are there other emerging competitive threats?
* Are you anticipating other market entrants?
* Could other indirect competitors be entering directly into the space?
* How will the market change and alter?
* Is this an area that's expecting higher levels of demand, and therefore there may be a higher level of interest and competitive pressures?
* Are there particular niches that you can develop that may mitigate some of those competitive pressures?
* What strengths do you have in terms of your existing service delivery and existing market presence that may position you relative to those competitive threats?
* What points of differentiation do you use, and are they relevant in the markets that you're exploring?

Ultimately when you're exploring competitors you want to gain an understanding as to who is serving the market, what strengths they have, their relative size and areas of expertise, and the respective points of difference and areas of differentiation, and how you may be able to overcome some of those existing competitive pressures.

In undertaking research you should also explore those broader industry factors.

* What is the overall level of market conditions?
* What is the forecast level of demand?
* What level is the market in?
* Is it a growing industry?
* Is the market reaching maturity, or is it in decline?
* What is the degree of substitute products?
* Is it an area or an industry where there's a high proportion of substitute products and hence a high number of indirect competitors?
* How established is the market?
* What are the existing channels to market?
* How easy is it to actually enter that market, or are there higher levels or barriers to entry?
* For the established competitors, how have they tried to mitigate new market entrants?
* What safeguards, what market barriers, have they placed to try to make it more difficult for others to enter the market?
* Who are the relevant stakeholders?
* How do they need to be engaged?
* What is it, and what value, are they seeking from market entrants into that industry?
* How do you engage and motivate those key stakeholders?
* What outcomes are those stakeholders seeking from organisations within the industry?

When you explore the industry analysis, you also want to identify complementary industries.

* Are there other industries that have an impact on the industry that you're exploring?
* How are those industries being affected by technological change, by market entrants, economic conditions, regulatory changes?

You want to be able to understand not just the industry that you're exploring, but also industries that may have an impact in the area that you wish to enter, because often it can be that chain effect and that compounded effect that can have a significant impact.

* What factors are likely to influence demand?
* What is the overall level of profitability within those industries?
* What is the level of margin and profit that you could expect?

Understanding those questions will help you identify firstly what opportunities exist, but also the challenges that you may need to overcome if you do enter that market.

Other questions you should be considering as you conduct a marketing forecast is, once again:

* what touchpoints are required?
* Who are the stakeholders that you need to engage within that industry?
* How do those stakeholders support you in acquiring and retaining participants and customers?
* What channels to market are required to enable you to establish a presence within that marketplace?

Based on the industry analysis, based on forecast demand, competitive pressures, likely shifts in competitors entering that industry, you should also be able to determine the overall level of profitability and the scale of market opportunity.

Through the marketing forecast you should be able to predict a number of scenarios.

* What will the impact be if you don't meet those expectations?
* Where is the break-even point?
* What is required to ensure that you at least develop a base level of profitability as you enter that market?
* How long will it take for that profitability to be realised?
* What are the potential scenarios if you don't meet expectations?
* What are the factors that could potentially derail plans to enter that marketplace?

That's why you need to be able to determine how outcomes are being measured.

* What is the forecast level of demand?
* What is the level of uptake and market share that you would anticipate by entering that industry, or by offering those new products or services?
* What are the potential variations in the market?
* What will be the impact on your profitability, on market share, on client acquisition and retention, if those targets aren't being met?
* How are you going to be able to measure each of those metrics so that you can assess the level of success in entering the market?

Both the marketing audit and marketing forecast are designed to identify improvements and recommendations that can be implemented within the short term, and will typically have a 12-month duration. The marketing plan, by contrast, is designed to not only assess recommendations and improvements of marketing outcomes in the short term, but also to position your organisation into the longer term, and that will be anywhere from a three to five-year duration depending as to the rate of change within your industry. The marketing plan will often utilise the findings and recommendations from the marketing audit and forecast to provide the basis for some of that short-term direction. But ultimately a marketing plan should assist you in identifying how you will be achieving the direction that you've established for your organisation.

* How do you position yourself within the short term?
* What resources, what requirements, do you need to fulfil to achieve those outcomes over the longer term as well?

A marketing plan will include an implementation schedule that enables you to identify what tasks need to be undertaken, the expected return from those tasks, and the resources that are required to ensure that those tasks can be delivered successfully. A marketing plan is fundamentally designed to align marketing outcomes with your organisation goals, and this is once again why we need to undertake a strategic approach to marketing. The marketing plan is the piece that enables you to understand your day-to-day marketing activities and the outcomes that they contribute to so that you can achieve your vision into the longer term.

There are three key phases when undertaking a marketing plan. The first is the capture phase, and this is where you'll gather the information from the marketing audit, the directions that you've identified through the marketing forecast, as well as a broad industry analysis and understanding of market trends, plus any other data that may be required to help determine the direction of the marketing plan. This is where you may be undertaking further stakeholder research, further market research, further industry analysis if they haven't already been undertaken through the audit or forecast.

The second phase is the strategy phase. This is where you'll start to determine how you segment your target audiences or your target markets, where you'll be reviewing your market positioning and the potential opportunity costs. The strategy phase is where you consider the potential strategic direction of your organisation, and as a result there will be a number of potential scenarios. Each of those will have potential opportunity costs. Part of the strategy component is about assessing those opportunity costs, then choosing the direction that generates the return that is aligned with your overarching organisational direction. You'll then be exploring the configuration of the marketing mix that helps you achieve the goals that you wish to undertake in terms of that strategic direction, and as well as also that, the opportunities that help ensure the sustainability of the plan.

A marketing plan, unlike an audit, will tend to be more aspirational, so a marketing plan may actually identify that additional resources are required. As a result, you need to understand how you can embed sustainability and ensure that you're able to accommodate the resources that may be needed to execute your marketing plan. And based on the resources that are allocated, you need to understand the return that should be expected.

And lastly, the delivery phase. This is where you'll assess the strategies that you've identified and provide the marketing activities or actions that help you achieve those strategies. Each of those activities should have a series of metrics that enable you to measure marketing performance. This is where you'll also need to determine the budget that is required and resources to help execute those components. The delivery phase, in effect, is effectively an implementation schedule. It identifies what activities are required, what actions are needed through each of those activities, how you measure the success of each of those activities, the resources that are required, the potential risk factors that need to be considered, and the anticipated return. Each of those components enables you to build a comprehensive strategic marketing plan that enables you to align your marketing direction with the direction of your organisation. It ensures that marketing is able to demonstrate how you achieve the vision that you've established for your organisation.

The capture phase will gather the data and recommendations and findings from the marketing audit and forecast, but you also want to undertake a wider analysis of your current industry and those potential industries or markets that you may wish to enter. So once again, you need to be able to explore the overall outlook.

* What market pressures exist, both in the markets you're currently serving but also others that you may wish to explore as part of the marketing plan?

The capture phase also allows you to determine current competitor positioning.

* Where are your current competitors placed in the market, say, based in terms of reputation or level of quality, and where is it that they may shift over time?

As you're undertaking a marketing plan and building your marketing capabilities and capacity, it's likely that your competitors are doing the same as well, so part of what you need to be aware of during the marketing planning process is:

* What changes are likely through your competitors?
* Furthermore, are there other factors?
* Are there regulatory changes, political changes, that may impact the markets that you're working with?

Obviously the NDIS has been a significant change, and this is one that's certainly reshaping the market, but are there other factors that may also have an impact? The role of technology, [1:14:16 inaudible], substitute products or services that may impact the markets that you're currently serving and the responses of your potential target markets.

Through the capture phase you also want to be able to assess your current marketing capacity and capabilities.

* Who is currently responsible for marketing activities?
* How are those level of resources being able to accommodate current demand, or the expected direction of your marketing plan?
* Will there need to be an increase of resources, and if so, what may that look like?

These are questions that you need to be able to answer during that capture phase.

The strategy phase is where you analyse those findings, and from this you should be able to determine potential strategic directions that would be suitable for your organisation and strategies that align with the vision that you have articulated over the short term as well as the longer term perspective. As you consider those strategies you need to be mindful of potential opportunity costs. It's unlikely that you'll be able to undertake every strategy that you identify, so you need to be able to assess your level of resources, likely competitor movements, and then from there determine the suitable strategies for your organisation.

Once you've assessed those strategies you can then start to consider what messaging, what target markets you'll be identifying, and the potential growth and opportunities within each market. It's not uncommon to have strategies that may look at both your internal perspective, so strengthening the experience and the marketing mix, particularly interaction between various elements or departments of your organisation, as well as also externally-facing strategies, where you may wish to identify new market opportunities or reposition your products or services.

As mentioned, there will be a number of potential strategies that you could undertake. You need to make sure that each of those strategies and the chosen strategies are consistent with your organisational or business plan, and from there identify how success will be measured. Your strategies should contribute to your overarching organisational and business objective, because in turn each of your strategies will have actions that comprise of individual marketing tactics. So underneath your strategies will be the coalescence of marketing activities and actions and tactics that help achieve that strategic direction, and that strategic direction in turn should help further realise your overarching objective and vision of your organisation. So outcomes from each strategy should actually contribute to that successful direction.

The delivery phase is where you provide the implementation schedules that achieve those strategic directions that you've identified. So your implementation schedules need to assess the financial resources that are required, personnel that are required and will be responsible for the delivery of each tactic, the timeframes that are required, overall priorities, as well as potential risk factors that need to be considered. Within each of those activities you should also identify the inputs, outputs and outcomes that you expect as a result of undertaking those activities. Those inputs will contribute to an output, which in turn will contribute to an outcome that helps fulfil the strategic direction that you've identified. Remember that once again you may actually have strategies that look at your internal capabilities and capacity, and this will be quite common if you need new systems in place or personnel that provide a specialised level of service, or areas which you wish to expand and need the internal capabilities to build up that presence. Similarly, it is very likely that you'll have externally-facing strategies, and these are the strategies that will explore what is required to achieve a presence within the market for your products or services. Each of those strategies should be consistent once again with that strategic direction, so you may find that there'll be a number of actions and activities that actually help fulfil the direction that's been identified within a few of those strategies. It's quite common, and in most cases that should be encouraged because it ensures that you have a coalescence between each of those actions and the relevant strategies in turn.

As mentioned, the implementation schedule is where you sequence each of those activities and the tactics that help achieve and fulfil the strategies that you've identified, so you need to be able to clearly articulate the resources that are required and areas of responsibility, as well as determine the chain of activities so that you can measure marketing performance across each of those tactics. Furthermore, you need to be fully aware of potential risk and how you can control and mitigate risk elements that may be created as you execute those tactics.

The delivery phase is about providing the plans and schedules so that as you execute marketing activities you can refer back to that plan to determine sequencing, key activities, the critical paths for actions that are required and levels of priority, and then the resources and the ability to fulfil each of those actions.

Turning to your workbooks, you can now work through the stages required to assemble a marketing plan.

* What strategies do you need to help achieve your objective?
* What actions are going to be contributing to those strategies?
* What is the implementation schedule that you'll be able to undertake to fulfil the marketing plan?

As you work through the workbook, remember also to consider the findings from your marketing audit and forecast.

* How will they have a bearing in terms of your marketing plan and the direction that you may be undertaking?

Make sure that your objective, the purpose of the marketing plan, helps fulfil the direction of your organisation as articulated through your business or organisational plans, and make sure that in turn those strategies, which will comprise of a number of actions and tactics, help fulfil that objective. So your marketing plan should be consistent all the way through from each individual tactic, into the actions, into the strategies and objective, and then coaligns with your business and organisational plan.

As you work through the workbook, also pay attention to the resources that may be required and the value proposition that you wish to communicate.

* What is it that sets you apart, and how do you differentiate yourself to your other competitors?

As you work through those resources, also be mindful that you need to look at not only budgetary resources, but also personnel, and time as well. You need to make sure that you have the right personnel available to undertake those activities, and that they also have sufficient time to steer the implementation of the tactics that you've made them responsible for.

The final phase of our methodology is execution, and this is where you deliver the day-to-day activities that you've identified within the marketing plan, and very much is the operationalisation of the plan. Undertaking execution after developing the marketing plan allows you to measure actual results against expectations.

* Are variations occurring, and if so why?

This is why it's important that you do capture the right data so you're able to make informed decisions and adjust activities as required.

Your markeing activity is only going to be as strong as the research that you undertake. It's research that enables you to validate assumptions and inform your strategic direction, and allows you to assess market opportunities and the needs of your target markets as well as verify how best to reach and engage those target markets and your broader stakeholders. Strategy is designed to guide the delivery of marketing tactics, and undertaking a strategic approach allows you to measure, evaluate and determine how effective and efficient your marketing activities are. It allows you to assess marketing performance against the expectations within the marketing plan.

So in summary, marketing is designed to show you how to achieve your business goals, and that it's imperative that you start with a strategic approach. A marketing audit is used to assess your internal context and strengthen your marketing activities against good marketing governance. Marketing forecast allows you to consider the external environment and identify potential market opportunities. And a marketing plan is used to solidify both your short-term direction, but also your vision into the longer term. But always remember that execution follows planning.

This has been the first module of our marketing governance series. The next modules will continue to explore the other four pillars of marketing governance.

Thank you for your participation, and look forward to joining you as we explore the other elements of marketing governance.